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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 22, 1999

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. PUE990788

Ex Parte: In the matter of
establishing regulations for
net energy metering pursuant to
Va. Code § 56-594

ORDER ESTABLISHING PROCEEDING

As part of the Virginia Electric Utility Restructuring Act ("the Act"), § 56-594 of the Code of Virginia directs the Commission to establish by regulation a program, to begin no later than July 1, 2000, which affords eligible customer-generators the opportunity to participate in net energy metering. The Act provides that a customer owning and operating an electrical generating facility that meets specified conditions may interconnect such a facility with a utility's electric grid and receive credit for electricity generated by the customer and fed back to the electric grid.

The Commission is of the opinion and finds that it should establish a proceeding to adopt regulations governing a net energy metering program. The Commission's Staff, after

receiving input from numerous stakeholders and interested parties, has developed proposed regulations to govern net energy metering and has prepared a report that discusses the proposed regulations. The proposed regulations are attached to this Order as Attachment A, and the Staff's report has been filed in this docket and served on those persons on the service list for this Order. Accordingly,

IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No.PUE990788.

(2) On or before February 2, 2000, any person desiring to participate in this proceeding for the promulgation of Commission regulations for net energy metering shall file an original and fifteen (15) copies of its Comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. The Comments should set forth parties' interests in this proceeding, and if such parties object to certain terms in the proposed regulations, proposed alternative language should be included in the Comments.

(3) Any person desiring a hearing in this matter shall file such a request with its Comments on or before February 2, 2000, and shall state in detail why a hearing is necessary. Such a request should identify the factual issues likely in dispute upon which the party seeks hearing together with the evidence expected to be introduced at any hearing. If no

sufficient request for hearing is received, the Commission may enter an order promulgating regulations upon the basis of the written pleadings filed.

(4) On or before January 5, 2000, the Commission will cause to be published the following notice as classified advertising in newspapers of general circulation throughout the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF A PROCEEDING
TO ESTABLISH REGULATIONS FOR NET
ENERGY METERING PURSUANT TO § 56-594
OF THE CODE OF VIRGINIA
CASE NO. PUE990788

As part of the Virginia Electric Utility Restructuring Act ("the Act"), § 56-594 of the Code of Virginia directs the State Corporation Commission ("Commission") to establish by regulation a program, to begin no later than July 1, 2000, which affords eligible customer-generators the opportunity to participate in net energy metering. The Act provides that a customer owning and operating an electrical generating facility that meets specified conditions may interconnect such a facility with a utility's electric grid and receive credit for electricity generated by the customer and fed back to the electric grid.

By Order entered on December 22, 1999, the Commission established a proceeding to adopt net energy metering regulations and issued proposed regulations. Also on that date, the Commission's Staff filed a report that describes the provisions of the proposed regulations. Interested persons should obtain copies of the Commission's December 22, 1999, Order with attached proposed regulations, and the Commission Staff Report. Copies of both the Order and

Report may be obtained from the Clerk of the Commission at the address listed below. The Order and proposed regulations will also appear in the January 17, 2000 issue of The Virginia Register of Regulations.

Any person desiring to participate in the Commission's proceeding for the promulgation of Commission regulations for net energy metering shall file, on or before February 2, 2000, an original and fifteen (15) copies of its Comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. The Comments should set forth the parties' interest in this proceeding, and if a party objects to certain terms in the proposed regulations, proposed alternative language should be included in its Comments.

Any person desiring a hearing in this matter shall file such a request with its Comments on or before February 2, 2000, and shall state in detail why a hearing is necessary. Such a request should identify the factual issues likely in dispute upon which the party seeks hearing, together with the evidence expected to be introduced at any hearing. If no sufficient request for hearing is received, the Commission may enter an order promulgating regulations upon the basis of the written pleadings filed.

All communication to the Commission should be directed to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and should refer to Case No. PUE990788.

VIRGINIA STATE CORPORATION COMMISSION

CHAPTER 315.

REGULATIONS GOVERNING NET METERING.

20 VAC 5-315-10. Applicability and scope.

These regulations are promulgated pursuant to the provisions of § 56-594 of the Virginia Electric Utility Restructuring Act (§ 56-576 et seq. of the Code of Virginia). They establish requirements intended to facilitate net energy metering for customers owning and operating an electrical generator that uses as its total fuel source solar, wind or hydro energy. These regulations will serve to standardize the interconnection requirements for such facilities and will govern the metering, billing and contract requirements between net metering customers, electric distribution companies and energy service providers.

20 VAC 5-315-20. Definitions.

The following words and terms when used in this chapter shall have the following meaning unless the context clearly indicates otherwise:

“Billing period” means, as to a particular customer, the time period between the dates on which the electric distribution company or energy service provider, as the case may be, issues the customer’s bills.

“Electric distribution company” means the company that owns and/or operates the distribution facilities delivering electricity to the net metering customer’s premises.

“Energy service provider” means the company providing electric energy to a net metering customer, either on a tariffed, competitive, or default basis.

“Net metering customer” means a customer owning and operating a renewable fuel generator under a net metering service arrangement.

“Net metering period” means each successive 12-month period following the date of final interconnection of the renewable fuel generator with the electric distribution company’s facilities.

“Net metering service” means measuring the difference, over the net metering period between electricity supplied to a net metering customer from the electric grid and the electricity generated and fed back to the electric grid by the net metering customer, using a single meter.

“Renewable fuel generator” means an electrical generating facility that:

1. Has a capacity of not more than 10 kilowatts for residential customers and not more than 25 kilowatts for non-residential customers;
2. Uses as its total fuel source solar, wind, or hydro energy;
3. Is owned and operated by the net metering customer and is located on the customer’s premises;
4. Is interconnected and operated in parallel with the electric distribution company’s facilities; and
5. Is intended primarily to offset all or part of the customer’s own electricity requirements.

20 VAC 5-315-30. Company notification.

The prospective net metering customer shall submit a notification form to the electric distribution company and, if different from the electric distribution company, the energy service

provider, at least 14 days prior to the date the customer intends to interconnect his renewable fuel generator to the electric distribution company's facilities. A net metering customer shall have all equipment necessary to complete the grid interconnection installed prior to such notification. The electric distribution company shall have 14 days from the date of notification to determine whether the requirements contained in 20 VAC 5-315-40 have been met. A notification form is attached to these regulations as Appendix A.

Fifteen days after a net metering customer submits the interconnection form, he may interconnect his renewable fuel generator, and begin operation of said renewable fuel generator, unless the electric distribution company or the energy service provider requests a waiver of this requirement under the provisions of 20 VAC 5-315-80, prior to said 15th day.

The electric distribution company shall file with the Commission's Division of Energy Regulation a copy of each completed notification form within 30 days of final interconnection.

20 VAC 5-315-40. Conditions of interconnection.

A. A prospective net metering customer may begin operation of his renewable fuel generator on an interconnected basis when:

1. The customer has properly notified both the electric distribution company and energy service provider (in accordance with 20 VAC 5-315-30) of his intent to interconnect;

2. The customer has certified that his installed renewable fuel generator meets all provisions of all applicable safety and performance standards established by local and national electrical codes including the National Electrical Code, the Institute of

Electrical and Electronics Engineers, and Underwriters Laboratories, or other national testing laboratories;

3. The inverter settings have been checked by the electric distribution company for renewable fuel generators exceeding a generating capacity of 10 kW;

4. The customer has complied with the electric distribution company's current interconnection guidelines for non-static inverter generators;

B. A prospective net metering customer shall not be allowed to interconnect a renewable fuel generator if doing so will cause the total rated generating capacity of all interconnected renewable fuel generators within that customer's electric distribution company's service territory to exceed 0.1% of that company's Virginia peak-load forecast for the previous year.

C. Neither the electric distribution company nor the energy service provider shall impose any charges upon a net metering customer for any interconnection requirements specified by this chapter.

20 VAC 5-315-50. Metering, billing and tariff considerations.

Net metered energy shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions. Each contract or tariff governing the relationship between a net metering customer, electric distribution company and/or energy service provider shall be identical, with respect to the rate structure, all retail rate components, and monthly charges, to the contract or tariff under which the same customer would be served if such customer was not a net metering customer.

Said contract or tariff shall be applicable to both the electric energy supplied to, and consumed from, the grid by that customer.

If electricity generated by the customer and fed back to the electric grid exceeds the electricity supplied to the customer from the grid (“negative net consumption”) during a net metering period, the customer shall receive no compensation from the electric distribution company nor the energy service provider unless that net metering customer has entered into a purchase power contract with the electric distribution company and/or the energy service provider.

During any billing period for which a net metering customer has a negative net consumption, the customer shall be required to pay only the non-usage sensitive charges for that month. Such negative net consumption shall be applied against future energy consumption, but not past the end of the net metering period.

20 VAC 5-315-60. Liability insurance.

Net metering customers shall not be required to obtain additional liability insurance as a condition of interconnecting with the electrical grid.

20 VAC 5-315-70. Additional controls and tests.

No net metering customer shall be required to pay for additional metering, testing or controls in order to interconnect with the electric distribution company or energy service provider. However, this chapter shall not preclude a net metering customer, an electric distribution company or an energy service provider from installing additional controls or meters.

or from conducting additional tests. The expenses associated with these additional meters, tests and/or equipment shall be borne by the party desiring the additional meters, tests and/or equipment.

20 VAC 5-315-80. Request for waivers.

Any request for a waiver of any of the provisions of this chapter shall be considered by the Virginia State Corporation Commission on a case-by-case, and may be granted upon such terms and conditions as the Commission may impose.

Effective 7/2000

INTERCONNECTION NOTIFICATION

PURSUANT TO COMMISSION REGULATION 20 VAC 5-315-30, APPLICANT HEREBY GIVES NOTICE OF INTENT TO INSTALL AND OPERATE A GENERATING FACILITY.

Section 1. Applicant Information

Name: _____

Mail Address: _____

City: _____ State: _____ Zip Code: _____

Facility Location (if different from above): _____

Daytime Phone #: _____

Distribution Utility: _____ Account #: _____

Energy Service Provider (ESP) _____ Account #: _____
(if different than Distribution Utility)

Section 2. Generating Facility Information

Generator Type (check one): Solar _____, Wind _____, Hydro _____

Generator Manufacturer, Model Name & Number: _____

_____ Power Rating in Kilowatts: _____

Inverter Manufacturer, Model Name & Number: _____

_____ Battery Backup? (yes or no) _____

Section 3. Installation Information & Certification



Check if owner-installed

Installation Date: _____ Interconnection Date: _____

Installing Electrician: _____ License #: _____

Mail Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Phone #: _____

1. The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741:

Signed (Vendor): _____ Date: _____

Name (printed): _____ Company: _____

2. The system has been installed in compliance with the local Building/Electrical Code of _____
(City/County)

Signed (Inspector): _____ Date: _____

In lieu of signature by inspector, a copy of final inspection certificate may be attached.

3. Utility and ESP signatures signify only receipt of this form, in compliance with the Commission's net energy metering regulations, Regulation 20 VAC 5-315-30.

Signed (Utility Representative): _____ Date: _____

Signed (ESP Representative): _____ Date: _____

I hereby certify that, to the best of my knowledge, all of the information provided in this Notice is true and correct.

Signature of Applicant _____